

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 95-269-C & 95-629-C - ORDER NO. 95-1014 ✓

MAY 4, 1995

IN RE: Request of GTE South, Inc. and Contel for Approval of Local Calling Plans.) ORDER APPROVING) AGREEMENT AND LOCAL) CALLING PLANS AND) SETTING HEARING
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This matter comes before the Public Service Commission of South Carolina (the Commission) on the April 20, 1995 request from GTE South, Inc. (GTE) and Contel (the Companies) that the Commission approve its Local Calling Plans (LCPs). If approved, the Optional Extended Area Service (OEAS) for the Winnsboro exchange providing calling routes to Chapin - Little Mountain and Columbia would be eliminated.

The Commission's Executive Director instructed the Companies to publish one time a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of the Companies' Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Companies complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by the Consumer Advocate for the State of South Carolina (Consumer Advocate) and by the South Carolina Public Communications Association (SCPCA).

Prior to the hearing in this matter, the Companies entered

into an agreement with the Consumer Advocate. As a result of the agreement, the Consumer Advocate has noted its desire not to participate in the scheduled hearing in this matter.

According to the Companies' April 20, 1995 letter, on December 15, 1994, GTE South, Inc. filed a local calling plan with several exchanges in South Carolina. By February 6, 1995, GTE South filed an additional local calling plan for the Simpsonville exchange. According to the Companies, both of these filings were made in response to customer demand for expanded local calling. Subsequently, the Companies and the Consumer Advocate entered into an agreement that stated that should the GTE Local Calling Plans loss revenues generate a need for a rate application, the Companies would do the following: First, apply for relief from the other Local Exchange Carriers (LECs) under the Area Calling Plan Principles Agreement; and second, file a rate application with the Commission for additional revenues. Under this plan, the Companies, Commission Staff, and Consumer Advocate together will discuss and attempt to reach an agreement on the most appropriate revenue sources. The Commission would make the final decision.

According to the Companies, their LCPs would convert all intraLATA intrastate toll traffic within a radius of 22 miles to seven digit local dialing at substantial reductions from toll rates. In certain cases, routes with a significant community of interest outside the 22 mile radius are also included. Under this structure, according to the Companies, residential customers are given four options to pay for their local calling and business customers are given two options. The options are entirely optional

in that no customer is required to take them. The options are as follows:

- 1) Basic Calling - The customer pays a reduced local access fee and all local calls, including calls to their home exchange as well as those to their expanded local calling area are billed at measured usage rates;
- 2) Community Calling - Under this option, the customer pays a slightly reduced local access rate and has flat rate calling to their home exchange while all other local calls are billed at measured usage rates. This option is not available for business customers;
- 3) Community Plus - Under this option, the customer pays a higher rate for local access in comparison to their current rate. The customer has flat rate calling to his or her home exchange and selected nearby exchanges. Typically, these selected exchanges are the exchanges to which customers currently enjoy flat rate Extended Area Service (EAS). Exchanges that do not feature any EAS, then the customers would have flat rate calling to their home exchange plus one additional exchange based on local community of interest. Calls to other exchanges in the expanded calling area would be billed at measured usage rates;
- 4) Premium Calling - The Customer pays a premium flat rate and is allowed to make unlimited calls within the expanded calling area. This option is not available for business customers.

Further, the Companies have stated that they would implement Local Calling Plans in the following exchanges in the first half of 1995: Bishopville, Fairfax, Hemingway, Johnsonville, Kingstree, Lake City, Manning, Olanta, Summerton, and Winnsboro. The Company also intends to file a similar plan for the Simpsonville exchange for local calling area of Greer and Spartanburg in the same time frame. Under this plan, the OEAS for the Winnsboro exchange providing calling routes to Chapin - Little Mountain and Columbia would be eliminated. The rates proposed for these and the business services are attached hereto as Appendix A.

The South Carolina Public Communications Association states that the Local Calling Plans have been made available to every GTE

customer except for the independent payphone provider. The SCPCA asserts that the failure of GTE and Contel to offer this optional plan to all other customers constitute a violation of S.C. Code Ann. §58-9-250.

In their April 20, 1995 letter, the Companies request that the Local Calling Plans be approved as filed. In return for the Consumer Advocate's withdrawal from participation in any hearing, the Companies have agreed to, in the situation when the Local Calling Plans lose revenue and generate a need for a rate application, if any, the Companies would apply for relief from the other LECs in the Area Calling Plan Principles Agreement, and file a rate application with the Commission for additional revenues. Under this agreement, the Companies, Commission Staff, and Consumer Advocate would discuss and attempt to reach an agreement on the most appropriate revenue sources together. The Commission would make the final decision as to such appropriate revenue sources. The Companies also suggest that the Commission allow them to implement the LCPs, and consider the issues raised by the South Carolina Public Communications Association in a hearing. According to the Companies, this would not disadvantage the SCPCA, and would allow the Companies' remaining customers to enjoy the benefits of the LCP's. The SCPCA objects to presenting its views in a separate hearing.

The Commission has examined this matter and approves the agreement between the Companies and the Consumer Advocate. Upon examination, the Commission also believes that the Local Calling Plans as set out above should be approved as filed and that the

rates proposed are reasonable, said rates appearing on Exhibit A, and said rates should be adopted.

Further, the Commission agrees with the suggestion of the Companies that the Commission approve the plans as filed and hear the concerns of the South Carolina Communications Association in a hearing. The Commission believes that this is reasonable, in that under this scenario, the Companies' customers will be able to enjoy the benefits of the Local Calling Plans, while the SCPCA will still have a forum to express its views.

IT IS THEREFORE ORDERED THAT:

1. The agreement between the Companies and the Consumer Advocate is hereby approved.
2. The LCPs and accompanying rates are approved as filed.
3. The Commission will hear the concerns of the South Carolina Public Communications Association in a hearing on such date as may be set by the Commission Staff.
4. The Companies will file tariff revisions conforming to the provisions of this Order within ten (10) days of the receipt of this Order.

5. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

GTE - South Carolina
Local Calling Plan

Proposed LCP Rates

LCP Access Line Rates

		RG 1	RG 2
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Opt 1	Res	11.00	11.00
Opt 2	Res	13.00	13.00
Opt 3	Res	15.25	17.75
Opt 4	Res	37.50	40.00
Opt 1	Bus	24.20	24.20
Opt 3	Bus	33.60	39.10
Opt 1	PBX	33.00	33.00
Opt 3	PBX (1-10)	53.40	62.10
	PBX (11+)	37.40	43.50

Bishopville
Fairfax
Hemingway
Johnsonville
Winnsboro

Kingstree
Lake City
Manning
Olanta
Summerton

LCP Usage Rates

Rate Band	Miles	Set-Up	Minute
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Local	-	0.015	0.020
A	1 - 10	0.040	0.050
B	11 - 16	0.040	0.055
C	17 - 22	0.040	0.075
D	23 - 30	0.040	0.095
E	31 - 40	0.040	0.110